

**General Government
School Facilities Construction Commission**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	111,142,400	109,304,100	121,447,200	107,589,000	112,973,500
Salary Compensation Fund	10,600				
Total General Fund	111,153,000	109,304,100	121,447,200	107,589,000	112,973,500
TOTAL SOURCE OF FUNDS	111,153,000	109,304,100	121,447,200	107,589,000	112,973,500
EXPENDITURES BY CLASS					
Personnel Cost	235,400	259,400	274,700	235,700	242,500
Operating Expenses	27,500	27,900	28,000	24,000	24,000
Debt Service	91,274,100	109,016,800	121,144,500	107,329,300	112,707,000
TOTAL EXPENDITURES	91,537,000	109,304,100	121,447,200	107,589,000	112,973,500
EXPENDITURES BY FUND SOURCE					
General Fund	91,537,000	109,304,100	121,447,200	107,589,000	112,973,500
TOTAL EXPENDITURES	91,537,000	109,304,100	121,447,200	107,589,000	112,973,500
EXPENDITURES BY UNIT					
School Facilities Construction Commission	91,483,300	109,245,400	121,384,800	107,535,400	112,917,700
Education Technology	53,700	58,700	62,400	53,600	55,800
TOTAL EXPENDITURES	91,537,000	109,304,100	121,447,200	107,589,000	112,973,500

The School Facilities Construction Commission, created by the 1985 Extraordinary Session of the General Assembly (KRS 157.611 et seq.), exists to assist local school districts with their school building needs. The School Facilities Construction Commission is responsible for the distribution of available state funds to eligible local school districts which have demonstrated a reasonable local effort to provide adequate school facilities but still have unmet building needs. The Commission is empowered to act on behalf of local school districts to issue bonds in the name of the Commission and to enter into lease arrangements with local boards of education to finance construction of new facilities or major renovation of existing school facilities.

Administration of offers of assistance to local school districts made under the auspices of the Kentucky Education Technology System (KETS) is performed by staff attached to the School Facilities Construction Commission.

Since the inception of the School Facilities Construction Commission, nearly \$3 billion in bonds have been sold for school construction.

Policy

The Governor's budget recommendation includes additional debt service necessary to fulfill commitments made by previous sessions of the General Assembly in authorizing additional bonded indebtedness and related offers of assistance to local school districts.

The Executive Budget includes \$1,688,000 in fiscal year 2006-2007 and \$8,438,000 in fiscal year 2007-2008 for debt service for an additional \$100,000,000 in bonds.

The Governor's recommended budget fulfills the commitment made by the 2005 Regular Session of the General Assembly for \$91,536,000 in bonded indebtedness to support construction and renovation projects on behalf of "Category 5" (poorest condition) school buildings.

The Governor's recommended budget also authorizes \$100,000,000 in new offers of assistance during the 2006-2008 biennium in anticipation of debt service availability during the 2008-2010 biennium. No bonded indebtedness based on the new offers is to be incurred during the 2006-2008 biennium.